

Message Text

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70

ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 XMB-07 SS-20 NSC-07 CIAE-00

INR-10 NSAE-00 RSC-01 CG-00 DOTE-00 INT-08 EUR-25

TRSE-00 FEA-02 DODE-00 SWF-02 /110 R

DRAFTED BY EB/TT/MA:JPSTEINMETZ:EC

APPROVED BY EB/TT/MA:RAWEBB

EXIMBANK:WGLICK

MARAD:HFCASEY

EB/ORF/FSE:MCREEKMORE

COM/MEPD:TJASPER

ARA/NC:MCFORRESTER

COM/LA:FKAYSER

COM/BIC:SJOHNSTON

----- 060228

R 122052Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: EGEN, ETRN, JE, US

SUBJECT: OPPORTUNITY FOR CONSTRUCTION AND SALE OF US-BUILT
TANKER

REF: CARACAS 2762

1. FROM A POLICY STANDPOINT, THE USG BELIEVES THE CON-
STRUCTION OF TANKERS IN AMERICAN SHIPYARDS FOR VENEZUELA
TO BE A MOST DESIRABLE GOAL. HOWEVER, SHIP CONSTRUCTION
COSTS IN US SHIPYARDS ARE HIGH AND PRESENTLY RUN APPROXI-
MATELY 35 PERCENT OVER AND ABOVE THOSE OF EUROPEAN AND
JAPANESE SHIPYARDS. TOTAL COST FOR A FLEET OF 34 VESSELS
IS ESTIMATED UPWARD TO ONE (1) BILLION DOLLARS VERSUS
ROUGHLY 700 MILLION DOLLARS IF CONTRACTED IN FOREIGN

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SHIPYARDS. NEVERTHELESS, THE MARITIME ADMINISTRATION

OPINES THAT WITH EXIMBANK FINANCING PLUS COST PER UNIT SAVINGS, BASED ON VOLUME AND COMMON DESIGN, AND FAVORABLE DELIVERY DATES, AMERICAN SHIPYARDS POSSIBLY MIGHT BE ABLE TO PUT TOGETHER A PACKAGE, INCLUDING SOME SORT OF TECHNICAL SERVICE CONTRACT, THAT WOULD BE ACCEPTABLE TO THE GOV.

2. EXIMBANK IS WILLING TO CONSIDER PARTIAL FINANCING, BUT QUESTIONS THE NEED FOR AN INTERMEDIARY. ASSUMING THE GOV WISHES TO PURSUE THIS MATTER, THE USG IS AMENABLE TO FACILITATING INITIAL EXPLORATORY DISCUSSIONS BETWEEN GOV OFFICIALS AND AMERICAN CONTRACTORS. KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Handling Restrictions: n/a
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